

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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MEMORANDUM

TO: Chicopee Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: November 15, 2017

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made, on average, on October 1 of each fiscal year. The schedule is effective in FY18 (since the amount under the prior schedule was maintained in FY18) and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption from 8.0% to 7.5%.

If you have any questions, please contact PERAC's Actuary, Jim Lamenza, at (617) 666-4446, extension 921.

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CHICOPEE RETIREMENT SYSTEM

FUNDING SCHEDULE with 3(8)(C) - 8 years: 2.5% increases

RP-2014 projected from 2006 with MP-2016, 7.50% Discount Rate, New Salary Scale

Fiscal Year	Normal Cost	Unfunded Liability*	Funding Amortization of UAAL	Net 3(8)(c) Payments	Schedule Contribution**	Adjusted Payments	% Change
2019	3,780,906	88,408,073	14,216,945	65,230	18,063,081	18,389,629	2.50%
2020	3,941,595	79,755,463	14,507,833	65,230	18,514,658	18,849,370	2.50%
2021	4,109,112	75,212,489	14,803,182	65,230	18,977,524	19,320,604	2.50%
2022	4,283,750	64,940,006	15,102,983	65,230	19,451,963	19,803,619	2.50%
2023	4,465,809	56,172,349	15,407,222	65,230	19,938,262	20,298,709	2.50%
2024	4,655,606	43,822,511	15,715,882	65,230	20,436,718	20,806,177	2.50%
2025	4,853,469	30,214,626	16,028,937	65,230	20,947,636	21,326,332	2.50%
2026	5,059,741	15,249,616	15,249,616	65,230	20,374,588	20,742,924	-2.74%
2027	5,274,780	-	-	65,230	5,340,011	5,436,549	-73.79%

Amortization of Unfunded Liability as of July 1, 2018

Year	Type	Original Amort. Amount	Percentage Increasing	Original # of Years	Current Amort. Amount	Years Remaining
2005	2002 ERI	52,888	0.00%	15	52,888	1
2006	2003 ERI	185,556	0.00%	15	185,556	2
2012	2010 ERI	140,466	0.00%	10	140,466	3
2019	Fresh Start	N/A	N/A	8	N/A	8

* Includes recognition of the following asset gains/(losses) in Fiscal 2021 and 2023:

2021	(\$5,071,287)
2023	(\$2,597,549)

** Contribution is set to be the amount resulting from a 2.5% increase on the prior year's contribution, with 2.5% increases thereafter. The contribution in FY2026 decreases by -2.74%.